

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suede G. Kelly.

Southern California Edison Company

Docket No. ER05-205-000

ORDER ON PROPOSED AGREEMENTS

(Issued January 11, 2005)

1. In this order, we accept for filing Southern California Edison Company's (SoCal Edison) Service Agreement under its Wholesale Distribution Access Tariff (WDAT) for service to the City of Corona (Corona). Additionally, we accept for filing, subject to a further compliance filing, SoCal Edison's Interconnection Facilities Agreement (Interconnection Agreement) with Corona. The ordered compliance filing requires SoCal Edison to utilize the *pro forma* Large Generator Interconnection Agreement (LGIA) as required by the Commission's Order Nos. 2003 and 2003-A rather than the Interconnection Agreement filed herein. This action benefits customers by allowing interconnection and distribution service to commence to Corona at just and reasonable rates and terms and conditions.

Background/Proposed Filing

2. In December 2003, SoCal Edison filed with the Commission a Letter Agreement between itself and Corona which provided for an interim arrangement under which SoCal Edison commenced the design and construction of facilities necessary to interconnect Corona's planned 32 MW Clearwater Cogeneration Power Plant (Corona Cogen Project) to SoCal Edison's electrical system.¹

¹ The Commission, in Docket No. ER04-300-000, accepted the Letter Agreement by delegated letter on January 30, 2004 and designated it as Service Agreement No. 99 under SoCal Edison's FERC Electric Tariff, First Revised Volume No. 5.

3. SoCal Edison stated that once construction of the Corona Cogen Project was completed, the existing 12kV distribution circuit serving the Corona Wastewater Plant would be removed and the Corona Wastewater Plant's electrical needs would be met from power generated by the Corona Cogen Project. Corona also requested distribution service to transmit the output of the Corona Cogen Project, above that utilized by the Wastewater Facility, to the California Independent System Operator (CAISO) Controlled Grid. Finally, SoCal Edison and Corona also agreed that SoCal Edison would provide distribution service to the Wastewater Facility for needed replacement power whenever the Corona Cogen Project was out of service.

4. On November 12, 2004, Edison filed in the instant docket a Service Agreement and an Interconnection Agreement with Corona in connection with the completion of the Corona Cogen Project to implement the above provisions.

5. Specifically, the Service Agreement sets forth SoCal Edison's agreement to provide Distribution Service for up to 32 MW of power produced by the Corona Cogen Project to the CAISO Grid and to provide Distribution Service for Corona's Wholesale Distribution Load when the Corona Cogen Power Project is not generating power. SoCal Edison proposes a monthly Customer Charge of \$7.65 and a demand charge of \$.47/kW/month. SoCal Edison estimates that total annual revenues under the distribution Service Agreement will be approximately \$14,192 based on 2.5 MWs of Contract Demand.

6. The Interconnection Agreement specifies the terms and conditions pursuant to which SoCal Edison will engineer, design, construct, own, operate and maintain the Interconnection and Distribution System Facilities necessary to interconnect the Corona Cogen Project to SoCal Edison's Distribution System. SoCal Edison proposes a monthly Interconnection Facilities Charge of \$5,742 related to the interconnection facilities constructed by SoCal Edison and paid for by Corona that were necessary for interconnection of Corona's Cogen Power Project to SoCal Edison's distribution system. The monthly Facilities Charge is derived from the product of a 0.34% customer-financed monthly rate applied to an Interconnection Facilities investment of \$1,689,000.² The total annual revenues under the Interconnection Agreement are approximately \$68,904.

² SoCal Edison states that the 0.34% customer-financed monthly rate is a California Public Utilities Commission approved charge that is applied to investment financed by retail customers to compensate SoCal Edison for capitalized and non-capitalized costs incurred with engineering, design, procurement, construction, and installation of the customer-financed Interconnection Facilities. SoCal Edison states that the use of this rate is consistent with SoCal Edison's rate methodology accepted by the Commission in previous proceedings.

7. Furthermore, SoCal Edison states that it has not filed the *pro forma* LGIA for service to Corona because it had negotiated the instant Interconnection Agreement prior to the Commission's issuance of an Order that rejected SoCal Edison's Wholesale Distribution Access Tariff Compliance Filing filed in compliance with Order No. 2003 and 2003-A.³ In the *WDAT Order*, the Commission ruled that the *pro forma* LGIA has been in effect since January 20, 2004. SoCal Edison states that it has sought clarification of this issue and the Commission has not yet ruled on that clarification. However, in order to not hold up Corona's interconnection, SoCal Edison states that it filed its current standard interconnection agreement. SoCal Edison states that Corona has consented to the filed Interconnection Agreement. Additionally, SoCal Edison and Corona have included a provision in the Interconnection Agreement which allows for Corona, at its sole option, to replace the instant Interconnection Agreement with SoCal Edison's *pro forma* LGIA once it is ultimately accepted by the Commission. SoCal Edison argues that this approach is appropriate since Corona is now receiving distribution service, and, without making numerous changes to the *pro forma* LGIA, SoCal Edison cannot connect a customer to its distribution system under the *pro forma* LGIA.

8. Applicants request an effective date of November 12, 2004, which is the date the filing was made with the Commission. In support of its requests for waiver of the 60-day notice requirement, SoCal Edison notes that the Service Agreement and Interconnection Agreement have been filed within 30 days of the commencement of service and is therefore consistent with the Commission's policy regarding such waivers.⁴

Notice and Responsive Filings

9. Notice of SoCal Edison's filing was published in the *Federal Register*, 69 Fed. Reg. 69,594 (2004), with motions to intervene and protests due on or before December 3, 2004. No responses were received.

Discussion

10. Our review of the Distribution Service Agreement indicates that the rates and terms and conditions included therein are just and reasonable and have not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Accordingly, we will accept the Distribution Service Agreement for filing, without hearing or suspension.

³ *Southern California Edison Co.*, 108 FERC ¶ 61,301 (2004) (*WDAT Order*).

⁴ *See Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *order on reh'g*, 65 FERC ¶ 61,081 (1993).

11. Our review of the rates under the proposed Interconnection Agreement indicates that they are just and reasonable and have not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Accordingly, we will accept the rates under the Interconnection Agreement for filing, without hearing or suspension. Regarding the terms and conditions of the Interconnection Agreement, our review indicates that the instant Interconnection Agreement does not conform to the *pro forma* LGIA as set forth in Order Nos. 2003 and 2003-A.⁵ Additionally, since the *pro forma* LGIA is part of SoCal Edison's WDAT, SoCal Edison should file a Service Agreement under its WDAT for interconnection service to Corona rather than a separate Interconnection Agreement. The required Service Agreement for interconnection service to Corona should include all specific charges to Corona. Accordingly, we will require SoCal Edison to make a compliance filing, within thirty days of the date of this order, to file a Service Agreement for interconnection service to Corona under its WDAT.⁶ This requirement is consistent with our prior *WDAT Order* requiring SoCal Edison to apply the *pro forma* LGIP and LGIA to interconnections under its WDAT as of January 20, 2004.⁷

12. We find that good cause has been shown to allow waiver of the Commission's notice requirements to allow the Service Agreement and the Interconnection Agreement, as modified by compliance, to be effective November 12, 2004, as requested.

⁵ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, FERC Stats & Regs. ¶ 31,160 (2004) (Order No. 2003-A), *order on reh'g*, 109 FERC ¶ 61,287 (2004) (Order No. 2003-B); *see also Notice Clarifying Compliance Procedures*, 106 FERC ¶ 61,009 (2004).

⁶ On December 23, 2004, in Docket No. ER04-435-006, SoCal Edison filed a revised *pro forma* LGIA as part of its WDAT in compliance with the *WDAT Order*.

⁷ *See WDAT Order* at P 14-15. The Commission's recent order granting an extension of the effective date of the CAISO's and certain member transmission owner's (including SoCal Edison's) Order No. 2003 compliance filings, *California Independent System Operator Corp.*, 110 FERC ¶ 61,004 (2005), does not relieve SoCal Edison of the requirement in the *WDAT Order* that its WDAT incorporate the *pro forma* LGIP and LGIA in Order No. 2003 effective January 20, 2004.

The Commission orders:

(A) The proposed Service Agreement for Distribution Service and Interconnection Agreement are hereby accepted, as conditioned above, to be effective on November 12, 2004, as requested.

(B) SoCal Edison is hereby directed to submit a compliance filing within 30 days of the date of this order reflecting the modifications discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.